

Kiwi Wealth Super Scheme

Annual Report 1 April 2020 - 31 March 2021

**Kiwi  
Wealth.**

# WHAT A YEAR IT'S BEEN





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# Kia Ora

After a year like none of us had ever known, and even as the effects of COVID-19 are felt keenly in many parts of the world, daily life in New Zealand is settling back into a form of normality and there is a palpable sense of hope that this period of shock and uncertainty is nearly behind us.

The volatility in global markets has tested our funds, which are performing well thanks to an investment approach focused on diversification, liquidity and quality.

Additionally, our Kiwi Wealth KiwiSaver Scheme has gone from strength to strength in the past year. After a review of KiwiSaver default providers, the number of providers was reduced from nine to six in May 2021, with Kiwi Wealth retaining our default provider status - recognition of our commitment to providing value for money and great customer service.

## **What happened in global investment markets**

Following the sharp sell-off at the beginning of the COVID-19 pandemic in March, stock markets started the financial year strongly. Central banks and governments around the world created huge rescue and spending packages support which had never been seen before, dwarfing the 2008 Global Financial Crisis response.

However, economic data released over the first half of the financial year suggested that we were not out of the woods just yet. The unprecedented global restrictions on people movement hampered economic activity and caused a sharp rise in unemployment. Signs of the world reopening early on helped buoy hopes of a “V”- shaped recovery, but second waves of the virus and more aggressive variants sent much of the Northern Hemisphere back into stringent lockdowns. Regardless, stock markets seemed indifferent to rising case numbers and depressed economic activity.

With people stuck at home for months on end, technology and companies (like Amazon and Netflix) thrived while sectors such as travel, energy and retail slumped. This all changed in November, however, with the welcoming of positive vaccine news. Three different potential vaccine candidates released trial results, with 95% effectiveness. Invested money moved towards companies that were likely to benefit from an economic recovery instead of those that previously benefited from the stay-at-home trend.

Markets kicked off 2021 upbeat as the global roll-out of vaccines ramped up. In the US, a surprise sweep in the Georgia Senate run-off elections gave the Democrats control of the Congress, paving the way for further stimulus.

The enormous amount of support, along with the gradual reopening of economies, helped markets end the financial year on a high note. However, the resulting demand has put a strain on global supply chains and labour markets, generating inflation fears. The focus now shifts to how markets will handle inflation and when central banks will start unravelling the supportive policies put in place to tackle the COVID-19 crisis.

## **Responsible Investment**

2020 saw us take significant steps in the Responsible Investment (RI) space. We signed as a Principles for Responsible Investment (PRI) signatory, made public our first annual assessment and came away with an A+ rating in Strategy and Governance. Kiwi Wealth was named as one of the leading investment managers in Responsible Investment Association Australasia's (RIAA) Responsible Investment Benchmark Report New Zealand 2020, and we formed an RI Committee to help guide our understanding and decision-making around ESG issues and RI.

In addition, we undertook a substantive revision of our RI policy, further refining our approach to RI integration and introducing new sections into the policy to set out our

increased commitment to disclosures and active ownership.

Throughout the year, we were involved in a collaborative engagement, led by the NZ Super Fund, with social media companies on concerns around the management of objectional content. This has led to substantial commitments by social media companies to enforce higher standards in their content management. The need for higher standards was evident in 2020, particularly to combat misinformation related to general elections and the COVID-19 pandemic.

We have been talking with bond issuers about key ESG issues with a focus on climate change planning to ensure we assess risk with ESG awareness, and to ensure issuers know how important these issues are to us as investors. We are keenly aware of greenwashing issues in the industry, and our interaction with issuers allows us to fully assess the extent of this.

On the equity side, climate action was one of our proxy voting themes with support for 20 climate-related shareholder proposals aimed at aligning corporate strategy and planning with Paris targets.

# 01

## Details of the Scheme

<b>Scheme name</b>	Kiwi Wealth Super Scheme
<b>Type of Scheme</b>	Superannuation Scheme (including a Legacy Section) and Workplace Savings Scheme.
<b>Manager</b>	Kiwi Wealth Investments Limited Partnership
<b>Supervisor</b>	Public Trust
<b>The date of the latest Product Disclosure Statement</b>	30 September 2020
<b>Status of the latest Product Disclosure Statement</b>	Open for applications
<b>The date of the latest fund update for each fund which the Scheme relates</b>	Dated 28 July 2021 and are for the quarter ended 30 June 2021.
<b>The latest financial statements and auditor's report</b>	The Scheme's latest audited financial statements (including the auditor's report) for the year ended 31 March 2021 were lodged with the Registrar on 21 July 2021.

# 02

## Information on contributions and scheme participants



Total number of  
scheme participants

**455**

As at 1 April 2020

**457**

As at 31 March 2021



Total number of  
contributing scheme  
participants

**185**

As at 1 April 2020

**181**

As at 31 March 2021



Total number of non-  
contributing scheme  
participants

**269**

As at 1 April 2020

**276**

As at 31 March 2021

### Total number of persons who became scheme participants during the year ended 31 March 2021

Transfer from  
other schemes:

**10**

Other new  
members:

**23**

Total

**33**

**Total number of persons who ceased to be members of the scheme  
during the year ended 31 March 2021**

<b>Reason</b>	<b>Number</b>
Retirement	8
Death	0
Other	
Nil Balance	4
Redundancy	5
Resignation	10
Transfers to other schemes (out)	4
<b>Total</b>	<b>31</b>

**Scheme participants' accumulations:**

	<b>Participants</b>	<b>Accumulation</b>
As at 1 April 2020	455	\$61,080,029
As at 31 March 2021	457	\$69,406,252

**Total contributions received during the year ended 31 March 2021:**

<b>Contribution type</b>	<b>Participants</b>	<b>Accumulation</b>
Member	132	\$756,093
Employer or other sponsor	135	\$794,362
Member voluntary additional	60	\$2,149,859
<b>Total</b>		<b>\$3,700,314</b>



# 03

## Changes relating to the scheme

### **Change to the governing document**

There were no material changes to the scheme's governing documents.

### **Change to the terms of the offer**

There were no material changes to the scheme's terms of the offer.

### **Changes to other documents**

There were no material changes to the SIPO.

### **Changes to Trust Deed**

Changes were made to the Trust Deed to reflect the requirements of the Trusts Act 2019 (which came into effect on 30 January 2021) and other minor changes.

### **Related party transactions**

There were no material changes to the nature or scale of related party transactions for the Scheme. All related party transactions during the year to 31 March 2021 were on an arm's length basis and enacted on normal commercial terms.

# 04

## Other information for particular types of managed funds

The number of scheme participants who made a withdrawal during the year ending 31 March 2021 were as follows:

Withdrawal type	Number of participants
Serious Illness	0
Death	0
Hardship	2
Redundancy	5
Resignation	11
Retirement	46
Transfer (out)	4
Income for Life	0
Total	68

### Investment performance (crediting rates) for the year ended 31 March 2021

The below table shows the crediting rate or rates applied to scheme participants balances for the accounting period as at the end of that period. This means the investment returns applied to the particular funds your money is invested into. We also take into account the prescribed investor rate applied to your Superannuation account.

Scheme Investment Statement	Prescribed Investor Rate		
	10.5%	17.5%	28.0%
Conservative	5.70%	5.60%	5.44%
Balanced	22.09%	21.71%	21.14%
Growth	35.52%	34.90%	33.97%

# 05

## Supervisor's Statement

Public Trust, as Supervisor of the Scheme confirms that all contributions required to be made to the Scheme in accordance with the terms of the governing document have been made.

Corporate Trustee Services

Public Trust

# 06

## Manager's Statement

Kiwi Wealth Investments Limited Partnership, as manager of the Scheme confirms that:

- All the benefits required to be paid from the Scheme in accordance with the terms of the governing document and (where applicable) the Superannuation scheme rules have been paid; and
- The market value of the Scheme property at the end of 31 March 2021 equalled or exceeded the total value of benefits that would have been payable had all members of the Scheme ceased to be members at that date and had provision been made for the continued payment of all benefits being paid to members and other beneficiaries as at 31 March 2021.

# 07

## Changes to persons involved in the scheme

There were no changes to the Manager, Investment Manager, Administration Manager, Securities Registrar, the Supervisor, Custodian, or Auditor of the Scheme.

### Changes to the directors of the manager

**On 26 November 2020**

**Alistair Nicholson** stepped down as a director

### Changes in key personnel of the manager

**On 3 April 2020**

**Joe Bishop** resigned from his position as Chief Customer Officer at Kiwi Wealth

**On 1 January 2021**

**Melissa Vasta** was appointed to GM Product and Retail.

**On 22 February 2021**

**Ian Burns** resigned from his position as Chief Executive Officer.

**Rhiannon McKinnon** was appointed as Acting Chief Executive Officer.

### Changes to the supervisor's board

There have been no changes to the supervisor of the Scheme or the board members of the Supervisor in the year ended 31 March 2021

# 08

## How to find further information

Further information relating to the Scheme, including financial statements, annual reports, the Scheme's trust deed, and SIPO is available on the scheme register at [www.disclose-register.companiesoffice.govt.nz/](http://www.disclose-register.companiesoffice.govt.nz/).



The quarterly fund updates, the PDS, and other material information is available on the offer register at [www. disclose-register.companiesoffice.govt.nz](http://www.disclose-register.companiesoffice.govt.nz/).

A copy of the information on the offer register or scheme register is available on request from the Registrar of Financial Service Providers. The above information is also available at [www.kiwiwealth.co.nz/scheme-fund-documents](http://www.kiwiwealth.co.nz/scheme-fund-documents) or on request by contacting us through one of the ways listed on page 12. You can view your monthly online reports and other information about your investment on our website [www.kiwiwealth.co.nz](http://www.kiwiwealth.co.nz).

As the above information is all available on public websites, it is free of charge to access.

You will also be sent an Annual PIE Tax Statement which will include the amount of PIE income attributed to you and the amount of PIE tax paid at your PIR. You will also be asked to confirm your IRD number and PIR. You can obtain general information about us and the Scheme at [www.kiwiwealth.co.nz](http://www.kiwiwealth.co.nz).

## Contact details and complaints

We'd love to hear from you, if you'd like to talk to us about the Kiwi Wealth Super Scheme you can contact us or the Kiwi Wealth Super Scheme Customer Services Manager:

**Online:**

[www.kiwiwealth.co.nz](http://www.kiwiwealth.co.nz)

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**Call:** 0800 427 384

during normal business hours

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**Email:** [questions@kiwiwealth.co.nz](mailto:questions@kiwiwealth.co.nz)

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**Write to:**

FreePost 210729  
Kiwi Wealth Investments Limited  
Partnership  
PO Box 50617  
Porirua 5240

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**Attention:**

Kiwi Wealth Super Scheme  
Customer Services Manager

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### How to complain

You can lodge a complaint with us or the Kiwi Wealth Super Scheme Member Complaints Officer:

**Online:**

[www.kiwiwealth.co.nz/feedback](http://www.kiwiwealth.co.nz/feedback)

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**Call:** 0800 427 384

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**Attention:**

Kiwi Wealth Super Scheme  
Customer Services Manager

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We are a member of the Insurance & Financial Services Ombudsman Scheme (IFSO), an approved dispute resolution scheme. If you have complained to us and you have reached the end of our internal complaints process without your complaint being resolved to your satisfaction, the IFSO may be able to consider your complaint. Other criteria must also be met.



**Call:** 0800 888 202



**Fax:** (04) 499 7614



**Email:** [info@ifso.nz](mailto:info@ifso.nz)



**Write to:**  
Insurance & Financial Services  
Ombudsman Scheme  
PO Box 10-845  
Wellington 6143

The IFSO will not charge a fee to any complainant to investigate or resolve a complaint.

You can also make a complaint to Public Trust:



**Call:** 0800 371 471 during normal business hours



**Write to:**  
General Manager  
Corporate Trustee Services  
Public Trust  
Private Bag 5902  
Wellington 6140

Public Trust is a member of an approved dispute resolution scheme operated by Financial Services Complaints Limited (FSCL). If your complaint to Public Trust has not been resolved you can refer it to FSCL.



**Call:** 0800 347 257



**Email:** [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz)



**Write to:**  
Financial Services Complaints Limited  
4th Floor, 101 Lambton Quay  
PO Box 5967  
Wellington 6145

FSCL will not charge a fee to any complainant to investigate or resolve a complaint.

**Kiwi  
Wealth.**

**Kiwi Wealth Super Scheme**

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